



Dry Cleaning Environmental Response Program - A Primer

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Wisconsin Act 27, the 1997-1999 budget bill, created a new funding program designed by industry to reimburse dry cleaners for a portion of their costs associated with responding to, investigating and remediating contamination caused by releases of dry cleaning solvents. The program is funded by fees on dry cleaners, including an annual licensing fee of 1.8% of their gross receipts from dry cleaning operations, as well as a fee to sellers of dry cleaning solvents based on the amount of dry cleaning solvents sold. The Department of Revenue is responsible for collecting the fees and the Department of Natural Resources is responsible for administering the program, including making awards from the fund.

Who is eligible for the program?

Owners and operators of dry cleaning facilities where there has been a discharge of a dry cleaning solvent are eligible for this program. An *operator* is defined as a person who holds the license under s. 77.9961(2), Wis. Stats., for a dry cleaning facility, or a parent corporation of that person. An *owner* is considered a person who owns, or has possession or control of a dry cleaning facility or who receives direct or indirect consideration from the operation of a dry cleaning facility regardless of whether the dry cleaning facility remains in operation and regardless of whether the person owns or receives consideration at the time that environmental pollution occurs.

What does the owner/operator have to do to become eligible for the program?

- report the spill as required in s. 292.11, Wis. Stats.
- notify the department of their intent to submit an application *before* conducting a site investigation or any remedial action activity (for site investigations or remedial actions begun prior to October 14, 1997, notification is not required).
- Complete an investigation to determine the extent of environmental impact of the dry cleaning solvent discharge, after notification
- Prepare a remedial action plan that identifies specific remedial action activities proposed to be conducted, after completing the investigation.
- Conduct all remedial action activities that are required including recovering any recoverable dry cleaning solvent from the environment; managing any residual solid or hazardous waste in a manner consistent with local, state and federal law; and restoring groundwater according to the state groundwater standards.
- New dry cleaner facilities or facilities that have had past discharges cleaned up must install pollution prevention measures, as specified in the rule.

What about closed facilities?

Owners/operators of closed facilities are eligible for the program, however they must commit to paying fees equal to the average annual dry cleaning license fee as well as the average annual dry cleaning solvent fee determined annually for the next 30 years. The owner/operator must guarantee payment by executing a note and mortgage on the site of the facility and a payment bond acceptable to the department. The owner/operator does not have to be the owner/operator at the time that the discharge occurred.

What if I have an old spill that was never reported?

If a dry cleaner has had a spill in the past that was not reported, the DNR would typically not take enforcement action for failure to report the spill, if the dry cleaner was now taking appropriate cleanup actions.

What costs are eligible?

Reasonable and necessary costs associated with the following are eligible for reimbursement:

Costs incurred before January 1, 1991, costs of retrofitting or replacing dry cleaning equipment, or other costs that are associated with but not integral to the investigation and remediation of a dry cleaning facility are not eligible for reimbursement.

What are the deductibles?	Eligible Costs	Deductible
	<\$200,000	\$10,000
	\$200,000 - \$400,000	\$10,000 plus 8% of the amount > \$200,000
	>\$400,000	\$26,000 plus 10% of the amount > \$400,000.
There is a maximum award of \$500,000		

Wisconsin Act 27 also specifies that 9.7% of the fund be used for *immediate action* activities (removing contaminated soil or recovery of free dry cleaning solvent are not considered immediate action activities for the purpose of reimbursement), and 46% of the funds be used for *interim remedial actions*.

What are Interim Remedial Actions?

Interim remedial actions include preliminary site screening and the purchase and installation of equipment to begin the cleanup of discharges of dry cleaning solvent before the completion of full site investigations and remedial action plans. To be eligible for this provision, the owner/operator must:

- report the discharge to the department as required by statute;
- conduct a preliminary site screening (on-site mobile lab analysis of soil and groundwater affected by the discharge) to locate where to install the equipment,
- document that immediate action is not necessary at the facility; and
- install the equipment to begin the cleanup of the dry cleaning solvent.

How do I get into the program?

The DNR is writing rules for implementing the program, including how to apply to the program. Those rules should be in place by early 1999. Meanwhile, if you are starting a cleanup before the rules are final, you should notify the DNR of your intent to apply for this program. Until rules are promulgated, send your notification to Robin Schmidt, Remediation and Redevelopment Program, Wisconsin DNR, PO Box 7921, Madison WI 53707.

When will the program become effective?

The statute states that owners and operators may not submit applications prior to September 1, 1998. The DNR will need to develop an application form and establish procedures for application submittal. We anticipate rules will be finalized in early 1999.

Where can I get more information?

DNR will holding hearings on the rules this fall, and the details of the program will be discussed at those hearings. New information will be provided to the DNR Web page and fact sheets will be made available as the program is established. For more information, you may contact Robin Schmidt at (608) 267-7569.